27th Best Practices Forum

The Massachusetts Medicaid CMS Section 1115 Wavier Program

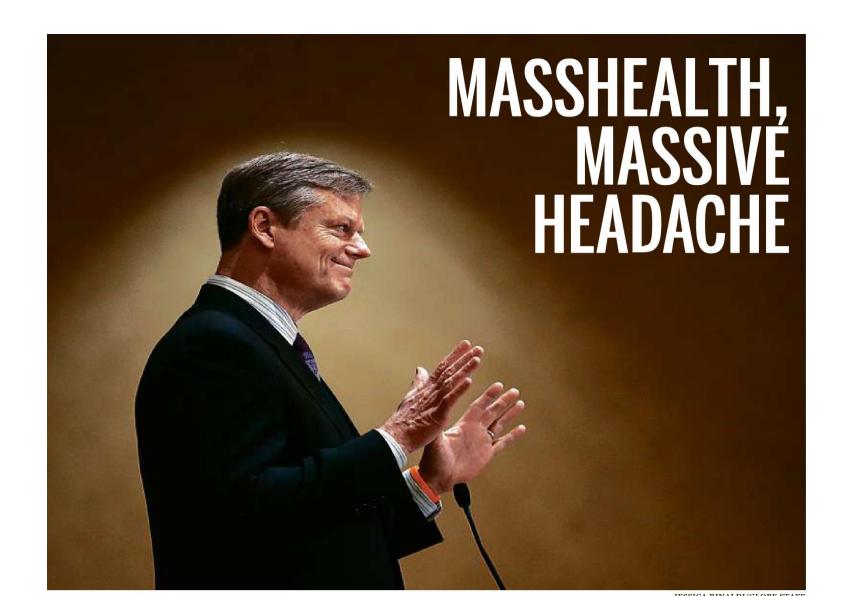
James W. Hunt, Jr., PhD March 2017



MassHealth Background

- The Massachusetts Medicaid (MassHealth) waiver was launched in 1997
- CMS, then called HCFA made it clear that this was one time only
- Now it its 6th extension being recently amended and approved November, 4 2016 (four days prior to the momentous national election)
- This extension begins July 1, 2017 and runs for 5 years

The Boston Globe, Sunday, February 19, 2017



MassHealth Restructuring and the 1115 CMS Waiver

- MassHealth is the Commonwealth's Medicaid program and covers
 1.9 million residents (1 in 4)
- The Baker-Polito Administration is committed to a sustainable, robust MassHealth program

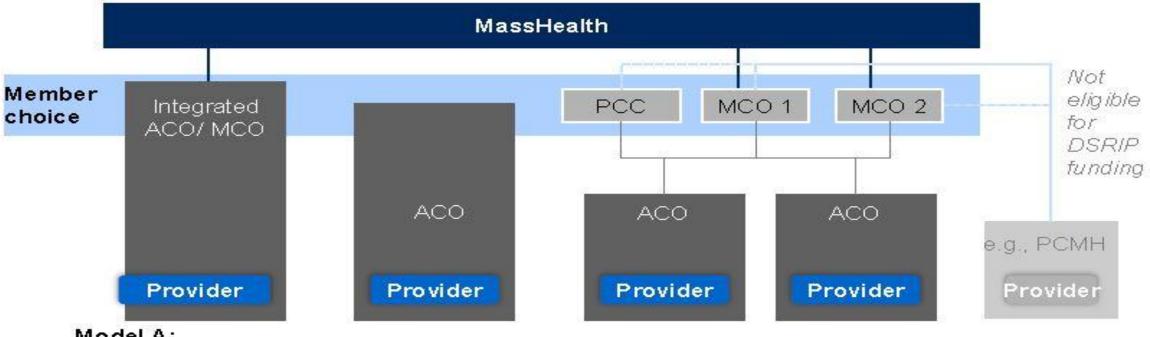
Creating the Current Waiver

- Restructuring is the result of a year of intensive stakeholder engagement
- Workgroups of 150+ stakeholders began meeting in August 2015 to help shape the design
- Community Health Centers were at the table!
- Received 100 oral and written comments during public comment period

What has been approved?

- Of the authorized \$52.4 billion over 5 years \$29.2 billion of matching federal revenue for MA over that timeframe
- Preserves and maintains the stability of the safety net care pool (HSN) and expands the number of safety net hospitals included in the waiver from 7 to 15
- Expands MassHealth covered services for Substance Use Disorders (SUD)

ACO models: overview of models



Model A: Prospective ACO/MCO model

- Fully integrated TCOC model
- ACO/MCO entity
 Performance (not takes on full. two-sided risk

Model B: Direct to ACO model

- Provider-led, TCOC model
- insurance) risk
- Preferred networks (PCP/ACO referrals)
- Flexibility over provider contracts

Model C: Retrospective ACO model

- Provider-led, TCOC model
- Performance (not insurance) risk
- MCOs play larger role to support population health management

Model D: Additional value-based reforms

- For remaining providers
- To be further defined, e.g. an MCO-led PCMH model

Increasing levels of sophistication

Safety Net Care Pool (SNCP)

- Renews authority for the Health Safety Net program, including payments to community health centers
- Restructures supplemental payments for safety net hospitals, linked to ACO participation
- The required state share for the SNCP and DSRIP investment is supported by a \$250M increase in the existing hospital assessment

Promoting Integration and Accountability

- The fundamental structure of MassHealth program has not changed in 20 years. The current fee-for-services payment model for providers results in fragmented care
- In ACO models, provider-led organizations are accountable for the cost and quality of care for members

Delivery System Reform Incentive Program (DSRIP) Funding

- 5 year time limited, \$1.8 billion of upfront DSRIP investments to support ACO transitions
- Explicit funding to build community capacity for BH/LTSS integration and for health-related social needs
- Includes statewide investments for identified high priority health issues (e.g. Emergency Department boarding, workforce development, accommodations for members with disabilities)
- CHC Technical Assistance

Addressing the Opioid Crisis

- 1115 CMS Demonstration Waiver expands MassHealth Substance Use Disorder (SUD) coverage
- Includes full continuum of medically necessary 24-hour community based rehabilitation services
- Pursue new federal funds generated under the waiver to expand the state's capacity of residential rehabilitation service programs and fund care coordination and recovery services for members with significant SUD
- Promotes OBOT

Improving Integration

- Improves integration among physical health, behavioral health, long-term services and supports health-related social services
- Explicit focus on establishing a BH system phased-in inclusion of LTSS into ACO and MCO accountability

Implementation Timelines

- CMS approved the waiver on November 4, 2016
- 6 pilot ACOs launched in December 2016
- ACO procurement resulted in significant shifts
- DSRIP funding starts at the beginning of State Fiscal Year 18- July 1, 2017
- Implementation of the full ACO model, BH/LTSS Community partners in December 2017

References

 R. Gerson, M. Grenier, and R. Seifert, The MassHealth Waiver 2016-2022: Delivering Reform (Jan. 2017)

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- V. Newkirk II, Seema Verma's Austere Vision for Medicaid (The Atlantic, Feb. 2017) https://www.theatlantic.com/politics/archive/2017/02/seema-vermas-vision-for-medicaid/517077/
- S. Rosenbaum and C. Hurt, How States Are Expanding Medicaid to Low-Income Adults
 Through Section 1115 Waiver Demonstrations (The Commonwealth Fund, Dec. 2014)
- R. Sachs, Medicaid Expansion Through Section 1115 Waivers: Evaluating The Tradeoffs (Health Affairs Blog, March 2016)

http://healthaffairs.org/blog/2016/03/15/medicaid-expansion-through-section-1115-waivers-evaluating-the-tradeoffs/

Section 1332: State Innovation Waivers

https://www.cms.gov/cciio/programs-and-initiatives/state-innovation-waivers/section_1332_state_innovation_waivers-.html

MassHealth Waiver Approval Press Release

http://www.mass.gov/eohhs/docs/eohhs/healthcare-reform/masshealth-innovations/ma-1115-waiver-press-release.pdf

MassHealth 1115 Waiver Approval Fact Sheet

http://www.mass.gov/eohhs/docs/eohhs/healthcare-reform/masshealth-innovations/ma-1115-waiver-factsheet.pdf